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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

In re:
THE LITIGATION PRACTICE GROUP P.C.,
Debtor.

Case No.: 8:23-bk-10571-SC

Chapter 11

**SUPPLEMENTAL DECLARATION OF
RICHARD A. MARSHACK IN SUPPORT
OF EMERGENCY MOTION (I) FOR
ENTRY OF A SECOND INTERIM
ORDER: (A) AUTHORIZING THE
TRUSTEE TO OBTAIN ADDITIONAL
POST-PETITION FINANCING AND
SUPERPRIORITY ADMINISTRATIVE
EXPENSE CLAIM PURSUANT TO 11
U.S.C. § 364; AND (B) SETTING FINAL
HEARING; AND PURSUANT TO FINAL
HEARING, (II) FOR ENTRY OF FINAL
ORDER APPROVING POST-PETITION
FINANCING ON A FINAL BASIS**

Date: July 19, 2023

Time: 1:30 p.m.

Judge: Hon. Scott C. Clarkson

Place: Courtroom 5C
411 W. Fourth Street
Santa Ana, CA 92701

1 I, Richard A. Marshack, declare as follows:

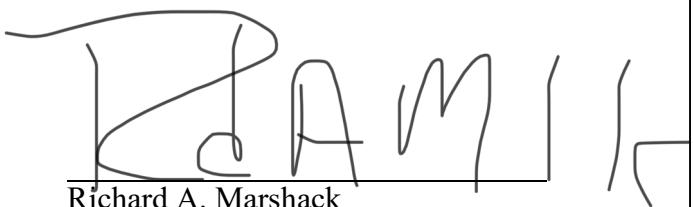
2 1. I am the Chapter 11 Trustee ("Trustee") for the bankruptcy estate ("Estate") of The
3 Litigation Practice Group, P.C. ("Debtor") in the above-captioned bankruptcy case ("Case"). As such,
4 except as expressly stated otherwise, I have personal knowledge of the facts set forth below and could
5 and would competently testify under oath thereto if requested to do so.

6 2. I submit this Declaration in support of my Motion (I) for Entry of a Second Interim
7 Order: (A) Authorizing The Trustee to Obtain Additional Post-Petition Financing and Superpriority
8 Administrative Expense Claim Pursuant to 11 U.S.C. § 364; and (B) Setting Final Hearing; and
9 Pursuant to Final Hearing, (II) for Entry of Final Order Approving Post-Petition Financing on a Final
10 Basis ("Motion").

11 3. Attached please find a Summary, prepared by Trustee's Administrative Staff in
12 conjunction with LPG Management, identifying in broad terms the sources and uses of loan funds.

13 I declare under penalty of perjury under the laws of the United States of America that the
14 foregoing is true and correct.

15
16 Dated: July 18, 2023



A handwritten signature in black ink, appearing to read "RICHARD A. MARSHACK". The signature is fluid and cursive, with the first name "RICHARD" and middle name "A." being more distinct, followed by "MARSHACK". The signature is positioned above a horizontal line, with the name "Richard A. Marshack" printed in a smaller, sans-serif font directly beneath it.

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Total funds on hand \$6,652,564

- Main checking account \$8,052
- Payroll / Operating account \$75,232
- Segregated received on 7/17 from Resolution Ventures \$250,336 *
- Segregated ACH account \$6,138,944
- Segregated Payroll tax account \$180,000

Net available \$83,284

Loan funds (reconciliation through 7/10/23):

- Received \$800,000
- Disbursed \$737,030

Remaining \$62,970

Of the \$737,030:

- 87% is payroll / payroll tax related, and related employee and agent expenses
- 4% is other operating expenses (bond, internet, email, Google, etc)
- 9% is approximate remaining balance

Major upcoming expenses currently owed:

- 7/14 payroll \$362,799
- 7/28 payroll (fully accrued on 7/21/23) \$356,115

BUDGET *

	Pay date 7/14/23	Pay date 7/28/23	Other costs
Wages (gross pay)	\$ 262,215.00	\$ 262,215.00	
Payroll taxes ER portion	\$ 45,000.00	\$ 45,000.00	
Employee Insurance	\$ 55,584.00	\$ 48,900.00	
Malpractice insurance (due 7/18/23)			\$ 9,750.00
BRI cobra premium (due 7/30/23)			\$ 75.00
Workers comp (due 7/13/23)			\$ 1,500.00
Unknown contingencies			\$ 100,000.00
	\$ 362,799.00	\$ 356,115.00	\$ 111,325.00
TOTAL budget through 7/28			\$ 830,239.00

* This does not include substantial post-petition expenses including, but not limited to, rent and outside counsel servicing existing clients.

* Current super-priority administrative loans:

Loan Funds		
Resolution Ventures	\$ 249,663.98	
Liberty Acquisitions	\$ 60,000.00	
Liberty Acquisitions	\$ 490,336.02	
	\$ 800,000.00 *	

* For sake of clarity, this \$800,000 does not include the funds in the amount of \$250,336 being held in trust pending court approval of the second 7/17/23 Resolution Ventures loan.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 655 W. Broadway, Suite 800, San Diego, California 92101

A true and correct copy of the foregoing document entitled (specify):

SUPPLEMENTAL DECLARATION OF RICHARD A. MARSHACK IN SUPPORT OF EMERGENCY MOTION (I) FOR ENTRY OF A SECOND INTERIM ORDER: (A) AUTHORIZING THE TRUSTEE TO OBTAIN ADDITIONAL POST-PETITION FINANCING AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIM PURSUANT TO 11 U.S.C. § 364; AND (B) SETTING FINAL HEARING; AND PURSUANT TO FINAL HEARING, (II) FOR ENTRY OF FINAL ORDER APPROVING POST-PETITION FINANCING ON A FINAL BASIS

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On July 18, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On July 18, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on July 18, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

JUDGE'S COPY

The Honorable Scott C. Clarkson
United States Bankruptcy Court
Central District of California
Ronald Reagan Federal Building and Courthouse
411 West Fourth Street, Suite 5130 / Courtroom 5C
Santa Ana, CA 92701-4593

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 18, 2023
Date

Caron Burke
Printed Name

/s/ Caron Burke
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

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